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October 28, 1994

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

RE: Ex Parte Information
CC Docket No. 94-1

Dear Mr. Caton:

At the request of members of the Tariff Division of the Common Carrier Bureau, USTA is providing the attached summary. This summary relates to computer diskettes that USTA previously provided to the Common Carrier Bureau and the Secretary's office. Those diskettes contained data associated with the total factor productivity study submitted in USTA's written comments in this proceeding.

The original and a copy of this ex parte notice are being filed in the Office of the Secretary. Please include it in the public record of this proceeding.

Respectfully submitted,

Mary McDermott
Vice President & General Counsel

cc: A. Belinfante
A. Bush

USTA
PRICE CAP REFORM, CC DOCKET 94-1
CHRISTENSEN STUDY

Explained below is a brief summary of the diskettes given to the Tariff Division and filed with the Secretary pertaining to the Christensen Associates productivity study of the Local Exchange Carriers (LECs).

CAPWP.WK3

This file contains the data and calculations necessary to calculate the capital input cost data.

Sheet A (Attachment 3)

This sheet calculates the capital input without adjustments for Capital/Expense adjustments for Part 31/Part 32.

Rows 8 through 14, columns a through k display investments amounts per the companies accounting records.

Rows 20 through 25, columns a through k display the Telephone Plant Indexes (TPIs).

Rows 31 through 36, columns a through k calculate the constant dollar amount for investment by dividing the investment amounts by the TPIs.

Rows 8 through 22, columns m through v calculate the difference between using the capital/expense adjustment or not.

Rows 3 through 16, columns AA through AD display the depreciation rates and economic/gross stock adjustment factors.

Rows 42 through 47, columns a through k calculate the capital stock quantity.

Rows 54 through 60, columns a through k calculate the capital stock value by multiplying the capital stock quantity by the TPIs.

Rows 66 through 72, columns a through k calculate the lagged capital stock values by multiplying the previous year's capital stock quantity by the current year's TPIs.

Rows 78 through 84, columns a through k calculate the value of replacement by multiplying the economic depreciation rate by the previous year's capital stock quantity by the current year's TPIs.

Rows 90 through 96, columns a through k calculate the

capital gain by multiplying the previous year's capital stock quantity by the current year's TPI minus last year's TPI.

Rows 98 through 101, columns a through k display the taxes.

Rows 106 through 111, columns a through k calculate the present value of depreciation.

Rows 116 through 120, columns a through k display revenue, tax, labor, materials and capital cost data.

Rows 122 through 123, columns a through k display the taxation rates.

Row 124, columns a through k display corporate bond rate.

Rows 126 through 132, columns a through k calculate property taxes.

Rows 135 through 142, columns a through k calculates imputed tax depreciation.

Rows 144, columns a through k calculates the effective income tax rates.

Rows 148 through 154, columns a through k calculates the service flows.

Rows 157 through 163, columns a through k calculates the capital input quantity.

Rows 165 through 172, columns a through k calculates the capital input shares.

Rows 174 through 180, columns a through k calculates the average capital input shares.

Rows 183 through 189, columns a through k calculates the capital input growth rates.

Rows 194 and 195, columns a through k calculates the average rate of growth and capital input index.

Rows 201 through 206, columns a through k calculates the capital stock value shares.

Rows 208 through 215, columns a through k calculates the average value shares.

Rows 217 through 224, columns a through k calculates the

capital stock growth rates.

Row 226, columns a through k calculates the aggregate capital stock growth.

Row 230, column c calculates the average capital stock growth rate.

Sheet B (Attachment 3a)
Sheet B incorporates the capital/expense data shown on attachments 1 and 2. These data are displayed in rows 1 through 12, columns M and N. This sheet mirrors sheet A.

LABWP.WK3
This worksheet displays the Labor data and calculates the hours growth. (Attachment 4)

MRSWP.WK3
This worksheet calculates the Material, Rents and Services input data. (Attachment 5)

REVWP.WK3
This worksheet displays the revenues and adjustments made to the revenue data. (Attachment 6)

NONRWP2.WK3
This worksheet displays the nonregulated adjustment made to revenues due to the change in accounting for Part 31/32/64. (Attachment 7)

RATEWP.WK3
This worksheet displays the Intrastate revenues and calculates the Price Indexes. (Attachment 8)

TAXWP.WK3
This worksheet displays the tax amounts. (Attachment 9)

ENDUWP.WK3
This worksheet displays the Access Lines and Growth rates. (Attachment 10)

SPECIAL.WK3
This worksheet displays the Special Access Index calculations. (Attachment 11)

PRODWP.WK3
This worksheet uses the data from the previous files to calculate the total factor productivity. (Attachment 12)